

## Message Text

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ORIGIN TRSE-00

INFO OCT-01 ARA-16 ISO-00 AGR-20 CIAE-00 COME-00 EB-11

INR-11 LAB-06 NSAE-00 RSC-01 SP-03 STR-08 SWF-02

CIEP-03 FRB-03 OMB-01 TAR-02 L-03 H-03 SS-20 NSC-07

SSO-00 NSCE-00 USIE-00 INRE-00 /121 R

DRAFTED BY TREAS:RSELF:CLJ

APPROVED BY EB/OT/STA:JPCRAWFORD

EB/ITP:MWGLITMAN

TREAS:PSUCHMAN

EB/OT/STA:TEDEAL

ARA/APU:FORTIZ

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FM SECSTATE WASHDC

TO AMEMBASSY BUENOS AIRES IMMEDIATE

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E.O. 11652:GDS

TAGS: ETRD, AR

SUBJECT:COUNTERVAILING DUTY PROCEEDINGS: ARGENTINE FOOTWEAR

REF: (A)STATE 160795; (B)STATE 151619; (C)BUENOS AIRES 5499

1. IN DISCUSSIONS WITH GOA OFFICIALS FORESEEN IN REFTEL (C), IT SHOULD BE STRESSED TO THEM THAT USG, AND SPECIFICALLY TREASURY, REMAIN AVAILABLE TO DISCUSS TECHNICAL ISSUES RELATING TO CASE SO THAT TREASURY WILL HAVE THE FULL BENEFIT OF GOA TECHNICAL COMMENTS BEFORE DECIDING WHETHER OR NOT TO IMPOSE A COUNTERVAILING DUTY. EMBASSY SHOULD INFORM GOA THAT SUCH DISCUSSIONS AS INDICATED IN REFTEL (B) WOULD BE SOLELY TECHNICAL IN NATURE. ISSUES TO BE DISCUSSED WOULD INCLUDE: (A) DETAILS OF 30 PERCENT "REIMBOLSO" PROVIDED FOOTWEAR EXPORTERS; (B) EXEMPTION FROM INCOME TAX ON EXPORT EARNINGS; (C) DRAWBACKS OF CUSTOMS DUTIES; (D) PREFERENTIAL

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FINANCING GIVEN TO FOOTWEAR EXPORTERS. DETAILED LIST OF

QUESTIONS SURROUNDING THESE PROBLEM AREAS, WHICH GOA SHOULD BE PREPARED TO DISCUSS AT CONSULTATIONS, WILL BE FORWARDED TO GOA THROUGH EMBASSY WHEN ARRANGEMENTS FOR DISCUSSIONS HAVE BEEN AGREED TO.

2. IN APPROACHING GOA OFFICIALS CONCERNING FURTHER DISCUSSIONS REGARDING FOOTWEAR CASE, EMBASSY SHOULD TAKE CARE NOT TO GIVE IMPRESSION THAT CONSULTATIONS ARE LIKELY TO RESOLVE PROBLEM UNLESS, OF COURSE, GOA SHOWS WILLINGNESS TO REMOVE VARIOUS EXPORT INCENTIVES. IN THIS REGARD, WE VIEW IT AS

IMPORTANT THAT U.S. POSITION BE CHARACTERIZED AS A WILLINGNESS TO DISCUSS RELEVANT TECHNICAL ISSUES CONCERNING SUBSIDY PROGRAM, BUT AS NEGOTIATING POSTURE WE DO NOT WISH TO APPEAR OVERLY EAGER. OUR DEMARCHE SHOULD SIGNAL THE GOA THAT WE ARE RECEPTIVE TO WHATEVER THEY MAY WISH TO TELL US RELEVANT TO THE ISSUES IN THIS CASE, BUT THAT THE CHOICE IS OBVIOUSLY THEIRS. WE MERELY WISH TO ENSURE THAT THERE WILL BE NO DOUBTS ON PART OF GOA THAT ALL EFFORTS HAVE BEEN MADE TO HOLD DISCUSSIONS AND TO TAKE GOA ARGUMENTATION INTO ACCOUNT IN MAKING FINAL DETERMINATION.

3. WE DO NOT BELIEVE IT WOULD BE CONSISTENT WITH THIS APPROACH, THEREFORE, FOR EMBASSY TO DELIVER A DETAILED LIST OF TECHNICAL QUESTIONS FOR FUTURE DISCUSSION AT INITIAL MEETING WITH GOA OFFICIALS. GENERAL GUIDELINES CONTAINED IN PARAGRAPH 1 SHOULD SUFFICE TO ASCERTAIN WHETHER GOA SERIOUSLY DESIRES TECHNICAL CONSULTATIONS. KISSINGER

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Status:** NATIVE  
**Subject:** COUNTERVAILING DUTY PROCEEDINGS: ARGENTINE FOOTWEAR  
**TAGS:** ETRD, AR, US, TRSY  
**To:** BUENOS AIRES  
**Type:** TE  
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